

21 April 1980

MEMORANDUM FOR THE RECORD

SUBJECT: Small Business Administration Awards Program

1. The undersigned contacted Frances Mendez, head of the SES and Merit Pay Programs at the Small Business Administration, to secure clarifying information regarding the Mike Causey article of 17 April 1980 regarding their SES awards program. (See copy of article attached.)

2. Of the 53 SES officers eligible for performance awards, 50% could receive awards or, in other words, 27 of their SES officers. Mrs. Mendez confirmed that 15 SES officers actually received performance awards. The Administrator at SBA does not apportion award target allocations to sub-organizational elements. The award recommendations are ultimately submitted to their Executive Resources Board (ERB) for review, ranking and recommendation to the Administrator. SBA has four performance appraisal levels--unsatisfactory (four SES officers received unsatisfactory), satisfactory (eleven SES officers received a satisfactory rating and were not eligible for award consideration), fully satisfactory and highly satisfactory (the remaining 38 SES officers were included in these two categories).

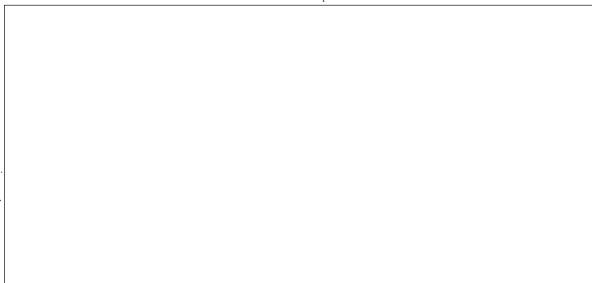
3. The ERB divided all SES officers into four quartiles. Highly satisfactory were further subdivided into two award range categories--11-15% and 16-20% of base pay and fully satisfactory was in the 7-10% award range. Awards are based solely on performance appraisal, however, individual work objectives include management type objectives that relate to organizational effectiveness. The highest level performance award recommended by the ERB was \$11,800.

4. The SBA Administrator cut recommended awards by 50% since this awards cycle represents six months of SES operation. The GS increase will probably not exceed 5%, and SBA has had a significant budget cut for small business loans.

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5. Mrs. Mendez advised that SBA had submitted their rank stipend recommendations to OPM before the 15 April 1980 deadline. The OPM procedure will be to send investigators to SBA to review the recommendations, talk to supervisors, peers and candidates in order to make final rank stipend recommendations.

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POST
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Executive Bonuses: Small Business
Administration has become the first federal agency to give top career brass bonuses under the president's civil service reform plan. SBA had 53 executives eligible for awards and picked 15 senior people for them. They range from \$2,644 to \$5,300. Washington area winners include: Paul R. Boucher, Joseph M. Maas, Jean P. Lewis, Paul G. Swope, Bernard Kulik, Robert B. Webber, Robert F. McDermott, Albert J. Prendergast, Raymond F. Randolph, Roger H. Jones and George H. Robinson.